

THE ECONOMIC BENEFIT OF DEFINED BENEFIT PENSIONS IN WYOMING

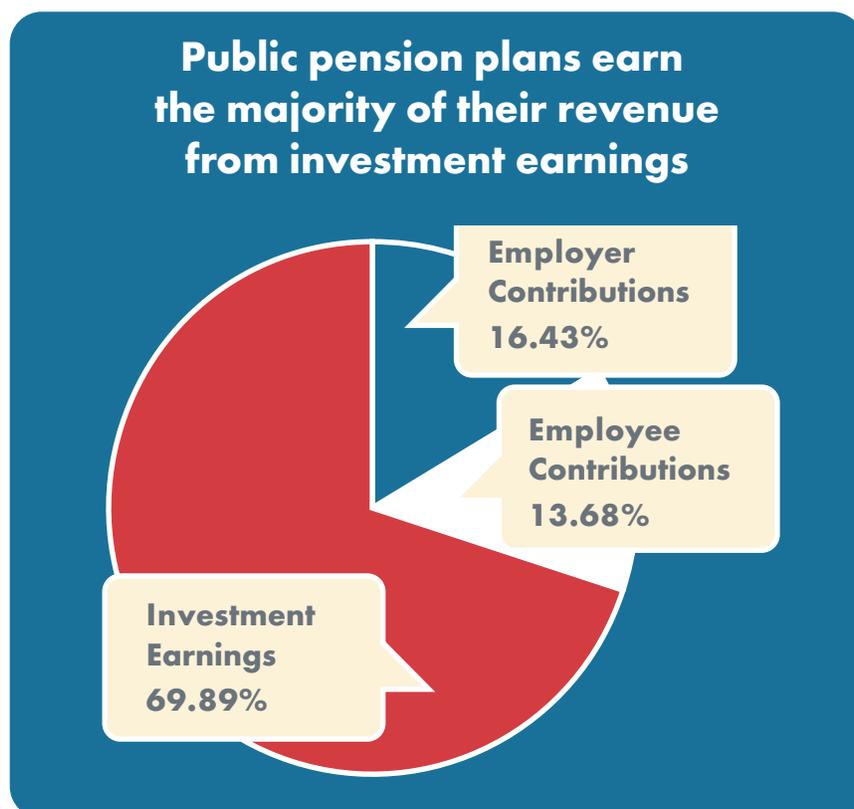
Defined benefit pensions are the most reliable path to a secure retirement for working families. They are also powerful economic engines for local communities. The spending of pension benefits by retirees supports local businesses through purchases of food, medicine, gas, and other staple items.

In 2016, the spending of pension benefits in Wyoming:

- Generated **\$792.3 million** in economic activity
- Supported **5,103** jobs that paid nearly **\$206.8 million** in income

Each dollar paid out in pension benefits creates **\$1.22** in total economic output in Wyoming.

Public pensions are a great investment for taxpayers. Each dollar invested by Wyoming taxpayers in public pensions supports **\$7.44** in economic activity.



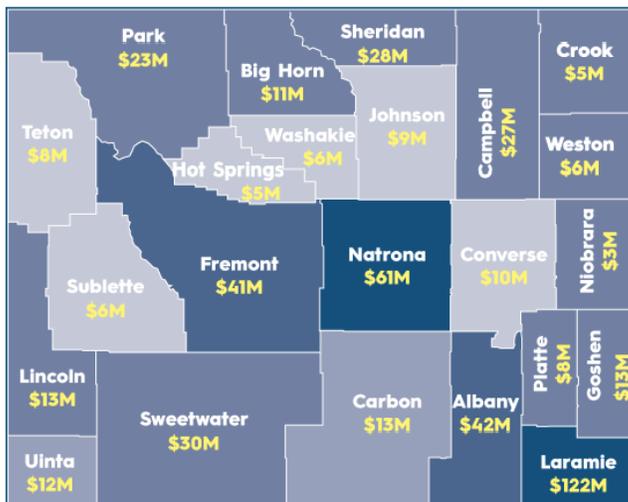
Public pension plans create more tax revenue than what is contributed to the plan by the taxpayer. Nationally in 2016, taxpayers saw **\$277.6 billion** in state and local tax revenue because of pension asset investment and the spending of pension benefits. Since taxpayers only contributed **\$140.3 billion** into these funds, taxpayers saw a return of **\$137.3 billion**. In Wyoming, public pension plans create **\$180.3 million** more in tax revenue than what is contributed to the plan by the taxpayer.

RETIRED WYOMING PUBLIC EMPLOYEES NEED AN INFLATION ADJUSTMENT

Background

Wyoming's retired public employees have not received an inflation adjustment to their pension benefits in 12 years. According to the Wyoming Retirement System, retirees have lost about 21 percent of their spending power between 2008-2018.¹ The average monthly benefit for retirees of the Public Employee Plan was \$1,187 in 2008—but after more than 10 years of steady inflation, today that amount buys about \$250 less than it did back then.

Only the Wyoming State Legislature can fix this problem.²



The Facts on WRS

The average service at retirement is 19.9 years, and about 20% of all retirees are career employees with 30 or more years of public service.

In 2017, WRS paid over \$607 million in benefits.

About 79% of WRS payments remain in Wyoming and are recycled back into the state's economy.

Why An Inflation Adjustment?

The costs of health care, groceries, and housing have all increased and will continue to go up—and many retirees are having trouble making ends meet. Retirees deserve to retire with dignity. Without an inflation adjustment to their benefits, retirees must increasingly rely on family members, their communities, and the social safety net for financial aid (if they're lucky enough to have these supports).

Inflation adjustments are a cost-effective, economically sound way to ensure public employees can live with dignity in retirement.



1. Based on Wyoming Cost of Living Index

2. A state law passed in 2012 effectively took the power away from the Wyoming Retirement System board to grant inflation adjustments (until the plan is 100% funded, which is an unreasonably high bar for pensions, which is projected not to happen for another 30 years).